IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH : NAGPUR

INCOME-TAX APPLICATION NO. 54/1996 & 59 OF 1996

Office Notes, Office Memoranda of Coram, appearances, Court's orders or directions and Registrar's orders.	Court's or Judge's orders

CORAM : J.P. DEVADHAR AND
B.P. DHARMADHIKARI, JJ.
APRIL 24, 2007.

Heard Shri Jaiswal, learned counsel for the applicant and Shri Dewani, learned counsel for the respondent.

Both these applications filed by the revenue under Section 256(2) of the Income-tax Act, 1961, were admitted on the following questions of law :

"1. Whether on the facts and in the circumstances of the case, the Tribunal was justified in law in cancelling the penalty order u/s. 271B of the Income-tax Act ?

2. Whether on the facts and in the circumstances of the case, the Tribunal was justified in law in holding that the initiation of penalty u/s. 271B of the Act was beyond the time limit relying on the provisions of Section 275(1)(c) of the Income-tax Act, 1961 ?"

The counsel on both side agreed that the cumulative tax effect in both these applications is less than Rs. Two lakhs.

In this view of the matter and in the light of the judgment of this Court in the case of C.I.T. vs. Pithwa Engineering Works, reported at (2005) 276 ITR 519, we dismiss both these applications. Rule discharged. No costs.

JUDGE **JUDGE**

*GS.